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VIA ELECTRONIC FILING (Public Version) and
VIA HAND DELIVERY (Confidential Version)

The Honorable Jocelyn G. Boyd
Chief Clerk/ Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

**Re: South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to
S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Duke
Energy Carolinas, LLC
Docket Number: 2019-224-E (2020 Integrated Resource Plan)**

Dear Ms. Boyd:

Pursuant to S.C. Code Ann. § 58-37-40, enclosed for filing is Duke Energy Carolinas, LLC's ("DEC" or the "Company") 2020 Integrated Resource Plan ("IRP"). S.C. Code Ann. § 58-37-40 requires that IRPs be filed once every three years, and that annual IRP updates be filed in the intervening years. Although DEC filed an IRP update in September 2019 in the above-referenced docket, this filing is DEC's first comprehensive IRP since the South Carolina General Assembly enacted Act No. 62 of 2019 ("Act 62"). As the Commission is aware, Act 62 reformed the previous IRP filing and review process. Act 62 allows an opportunity for intervenors to conduct discovery and provide comments on the "reasonableness and prudence of the plan" and allows intervenors to raise "alternatives to the plan."¹ Act 62 further requires that, within 300 days of filing, the Commission issue a "final order approving, modifying, or denying the plan" filed by DEC.²

In the spirit of the Act, and as described in the Executive Summary to the IRP, the Company embarked on an extensive stakeholder engagement process prior to the preparation and filing of this IRP. The Company has endeavored to fully comply with every aspect of Act 62. Consistent

¹ S.C. Code Ann. § 58-37-40(C)(1).

² *Id.*

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with Act 62 which requires “*several resource portfolios developed with the purpose of fairly evaluating the range of demand-side, supply-side, storage, and other technologies and services available to meet the utility's service obligations,*”³ the filed IRP contains six planning portfolios including extensive sensitivity and scenario analysis on these portfolios. These portfolios include a Base Portfolio in an environment without Carbon Policy that has been determined to be the most affordable to customers under current energy policies. DEC has also included a Base Portfolio with Carbon Policy which shows the base portfolio in an environment with Carbon Policy. Importantly, in response to stakeholder feedback and to inform policy discussions, the IRP contains four additional portfolios that consider a range of factors outlined in Act 62. The Company is requesting the Commission to review and approve its comprehensive IRP as meeting the requirements outlined in Act 62.

Attachments I and III to the IRP contain information that is commercially sensitive and proprietary and should be protected from public disclosure. Table 2 of the NC REPS Compliance Plan (Attachment I) on page 16 contains the Company's projected avoided energy costs and combustion turbine capacity costs. If this commercially sensitive business and technical information were to be publicly disclosed, it would allow competitors, vendors and other market participants to gain an undue advantage, which may ultimately result in harm to customers. Moreover, the projected avoided energy costs reflect the Company's costs to procure additional energy and/or capacity. The wholesale electricity market is extremely competitive, and in order for the Company to obtain the most cost-effective energy and capacity to meet the needs of its customers, it must protect from public disclosure its projected and actual cost to procure such energy, capacity or both. In addition, if this information was made publicly available, potential suppliers would know the price against which they must bid, and rather than bidding the lowest price possible, they would simply bid a price low enough to beat the Company's projections.

Exhibit A of the REPS Compliance Plan (Attachment I), pages 19 through 26, contains names of counterparties with whom DEC has contracted for Renewable Energy Certificates (“RECs”), contract duration and estimated RECs. Public disclosure of this information would harm DEC's ability to negotiate and procure cost-effective purchases and discourage potential bidders from participating in requests for proposals.

In addition, the 2020 Resource Adequacy Plan Appendix (Attachment III Appendix) contained confidential information, including, but is not limited to, such data as fuel costs, outage rate data, transmission assumptions, and other confidential data. Disclosure of this commercially sensitive and proprietary information would put DEC at a competitive disadvantage, which would harm customers. Finally, the filing includes DEC's most recent FERC Form 715, which contains critical energy infrastructure information that should be kept confidential and non-public.

For these reasons, DEC respectfully requests that the Commission find that—pursuant to S.C. Code Ann. § 30-4-40(a) and S.C. Code Ann. Regs. 103-804(S)(2)—this information is confidential and exempt from disclosure and will remain under seal. DEC is filing the confidential version of these Attachments to the IRP under seal and respectfully requests that the Commission

³ S.C. Code Ann. § 58-37-40(B)(1)(e).

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maintain this information as confidential. Pursuant to Order No. 2020-490, Docket No. 2005-83-A (July 21, 2020), the confidential information contained within the confidential IRP filing has been marked for ease of identification.

The Company is also making available approximately 350MB of supporting data for the Resource Adequacy Study included in the IRP as well as other supporting information within one week of a request from intervenors who have executed confidentiality agreements.

In addition to the IRP being electronically filed with the Commission, DEC is also hand-delivering copies of the IRP containing the confidential information to the Commission and the Office of Regulatory Staff ("ORS"), as well as hand-delivering a public version to the State Energy Office. A public copy of the IRP is being served on all parties of record, and a copy of the IRP containing confidential information is also being provided to the parties of record with whom DEC has entered into a non-disclosure agreement. Pursuant to S.C. Code Ann. § 58-37-40(A)(1), a public version of the IRP is also being posted to DEC's website.

Finally, Duke Energy Progress, LLC ("DEP") is also filing its IRP at the same time as DEC. While the Companies believe the dockets should remain distinct, the Companies propose that both DEC and DEP share a joint procedural schedule to provide for efficient discovery, testimony filings and hearings. DEP and DEC intend to consult with intervenors in pursuit of proposing a procedural schedule over the next three weeks, should it please the Commission. The Companies and multiple intervenors will also be involved in the IRPs being filed in North Carolina today. The Companies believe that working together on a procedural schedule could avoid timing conflicts and potential witness availability between the two state proceedings over identically filed IRPs. Additionally, the Company is working on scheduling a technical overview of the IRP for stakeholders in order to advance understanding of today's filing.

Sincerely,



Heather Shirley Smith

cc: Parties of Record
S.C. State Energy Office